

COSCON/ZIM SLOT CHARTER AGREEMENT

A SPACE CHARTER AGREEMENT

FMC Agreement No. 012211-001

EXPIRATION DATE: ~~None~~ March 31, 2017.

This Agreement has not been published previously.

WHEREAS: Zim operates a general container service between Israel, and the East Coast of the USA known as "ZCA";

WHEREAS: COSCON operates a general container service between China and the West Coast of the USA known as ~~CPS2~~CEN; and

WHEREAS: Both Parties wish to utilize part of the other Party's carrying capacity in order to carry their cargoes in containers;

NOW THEREFORE THE PARTIES HERETO HAVE HEREUNTO AGREED as follows:

1. Parties

The parties to this Agreement are

COSCO Container Lines Co. Ltd. ("COSCON")
378 Dong Da Ming Road
Shanghai, People's Republic of China 200080

ZIM INTEGRATED SHIPPING SERVICE, LTD.
9 Andrei Sakharov Street
"Matam" – Scientific Industries Center
P.O.B. 1723
Haifa, 31016 Israel

2. Definitions

"Agreement" means this COSCON/ZIM SLOT CHARTER AGREEMENT.

"Party" means either ZIM or COSCON.

"Container(s)" means any ISO standard container(s) with a maximum height of 9'6" including any reefer and/or other special containers, provided they meet ISO standards. For the purpose of this Agreement, one FEU shall be equal to 2 TEUs.

"Vessel(s)" means a purpose built containership maintained in service by Zim or by COSCON, or the containership of another carrier which either Zim or COSCON is entitled to use and sub-charter pursuant to a space charter or similar agreement.

"Slot" means the space occupied by 1 x 20' x 8' x 8'6" or 1 x 20' x 8' x 9'6" ISO container for the predetermined maximum average gross weight.

"The Loading Party" means the Party on whose vessels (owned and/or operated) the containers are loaded.

“The Shipping Party” means the Party who is shipping containers on the other Party’s vessels.

3. Undertaking and Purpose

Subject to the terms and conditions hereinafter set forth, Zim and COSCON undertake to allow each other to charter Slots on their Vessels for the carriage of Containers of the volume and on the terms hereinafter described.

Each Party undertakes to meet its commitment and pay any excess slot capacity to be chartered by it as hereunder described.

4. Scope of the Agreement

This Agreement covers the trade between ports on the East Coast of the United States and ports in Israel, and ports on the West Coast of the United States and ports in China, as well as transshipment cargo moving via ports in the aforementioned countries from other origins and/or to other destinations.

5. Containers and Cargo

The Shipping Party will be allowed to ship only dry-cargo Containers, reefers and empty Containers meeting the definition mentioned in Clause 2 hereof. Loaded Containers shall be in a seaworthy condition, containing lawful merchandise of any kind; including IMO cargo, properly packed and secured. Containers not meeting the above criteria may be refused for carriage. Notwithstanding the above, explosives and radioactive material shall not be accepted by the Loading Party.

6. Schedules

Each Party shall be allowed to utilize Slots available on each other’s service and Vessels according their respective schedules and service arrangements.

Either Party may permanently change its schedule, ports of call, rotation and Vessels at any time, at its sole discretion, (provided this change does not materially change its service, in which case Clause 13 shall apply) by giving the other Party ~~thirty sixty~~ (30 60) days’ written notice of such change. The other Party has in such case the right to revise the Slot commitment in accordance with allocation/performance within the affected ports.

7. Terms of the Agreement

a) This Agreement shall commence on the date it becomes effective under the U.S. Shipping Act of 1984, as amended, and shall terminate on March 31, 2017 ~~remain in force indefinitely unless terminated in accordance with the terms hereof. Either Party may terminate the Agreement by giving not less than three (3) months prior written notice to this effect to the other Party. This Agreement may be terminated at any time by mutual agreement of the Parties.~~

b) If one Party commits any one of the following situations, the other Party has the right, by giving written notice, to terminate this Agreement immediately without prejudice to any already accrued rights and obligations.

- a) Commencement of dissolution procedure;
- b) Filing of bankruptcy or insolvency procedure; or
- c) Making a general assignment for composition with its creditors.

Notwithstanding Article 7a, this Agreement shall continue in force to the extent that each Vessel should complete its cargo discharge at the last port of her final voyage which commenced prior to the respective termination.

8. Slot Commitment

- (a) The round trip allocation for COSCON on ZIM vessels between Israel and the U.S. East Coast will be 85 TEUs per voyage.
- (b) The round trip allocation for ZIM on COSCON vessels between China and the U.S. Pacific Coast will be 100 TEUs per voyage.
- (c) Acceptance of IMO and out of gauge cargo and/or special equipment can only be given by each Party separately and prior to booking.
- (d) The above commitments by both Parties are subject only to force majeure situations mentioned in Clause 13 hereunder.
- (e) If, for any reason, either of the Parties is unable to provide the space specified above for Containers actually booked by the other Party, then such defaulting Party will provide required space on the subsequent sailing. ~~On the other hand, if either Party does not utilize all the Slots in accordance with its commitment, it shall nevertheless pay for such unused Slots. The payment for such unused Slots shall be the full amount of slot hire.~~
- (f) Subject to the agreement of the other Party, a Party may move up to five (5) reefer units within its allocation under Articles 8(a) and (b). The Parties shall agree on the procedures and responsibilities relating to the carriage of such containers.
- (g) Subject to mutual agreement of the Parties, the slot allocations set forth in Articles 8(a) and (b) above (or any of them) may be adjusted up or down by an amount not greater than 50% without further amendment to this Agreement.

9. Booking Procedures

The Parties will book their requirements with each other's booking centers as may be designated from time to time. In all instances delivery closing dates, booking and documentation procedures of the loading Party shall be adhered to.